

BOB R-2

OLC 69-0388
OGC 69-0854

6 May 1969

MEMORANDUM FOR THE RECORD

SUBJECT: Daniels Bill - H. R. 9825

1. On 6 May 1969 John M. Maury and I saw Roger W. Jones, Assistant Director (Personnel Policies), Bureau of the Budget. We first discussed the Daniels bill and its impact on the CIA Retirement and Disability System (CIARDS). Mr. Jones said the Daniels bill had received a real setback and might in effect be starting over. The Administration is opposed to the crediting of sick leave to the point of raising a question of a veto. It is also adamantly opposed to the high three in place of the high five, although Mr. Jones feels the high three will come through in time. The Administration is also opposed to the one per cent increase, but it has favored the continuance of payments to widows who remarried, provided the refunding provisions are retained. In other words, it rather looks as if retirement legislation is starting from scratch.

2. We said that, whether the Daniels bill went through or not, we would have the recurring problem of some retirement benefits being granted to Civil Service with the obvious impact on CIARDS. Mr. Jones agreed that at best we would be a year or two behind any such new benefits. He scanned our proposal for legislation permitting the Director of Central Intelligence to adopt such benefits to keep the CIARDS abreast and likened it to the Reorganization Act giving the President power to reorganize the Executive Branch, provided plans were put before the Congress for a period of time before they became effective. He felt this was a practical and ingenious proposal which he would favor.

He also felt we should clear our position in the Executive Branch,
even though the Daniels bill is in retreat at the moment. He said
this should be done informally because, if we put our proposal
forward officially, we would probably receive the bureaucratic
response that, since there are no benefits being enacted, we had
no problem and, therefore, would not receive approval for legisla-
tion. Mr. Jones said he would get to work on it unofficially and the
only block he saw at the moment was the Department of Justice,
which had doubts as to the constitutionality of such legislation. He
felt if Justice raised the question it probably could be satisfied. If
we get well organized in the Executive Branch, Mr. Jones felt we
would then have to wait until there was a clear-cut issue from the
enactment of some benefits to the Civil Service Retirement System.
We agreed with Mr. Jones' position and left copies of the proposed
legislation and related papers.

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3. We briefly discussed the [redacted] Mr. Jones
felt it was a very bad bill and that the main hope was to work with
Mr. Henderson in the House. We said we had found Mr. Henderson
most helpful in the past. I said there was a possibility that Senator
Eastland might take some action in the full Committee, and I had
recommended that the Director write to the President asking his
support in approaching Senator Eastland. Mr. Jones said he thought
this was a good idea and anything we could do would have his support.

s/
LAWRENCE R. HOUSTON
General Counsel

cc: Executive Director
✓Legislative Counsel